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## NEWS RELEASE

February 13, 2008

### **St. George Man Ordered to Cease Promoting Fraudulent Mining Scheme**

***Investors were promised they would double their money, with no risk ...***

**SALT LAKE CITY, Utah** – Jerry Johnston Hodges, of St. George, was ordered today to cease and desist violating the securities laws by selling investments in a mining scheme. Hodges was a sales agent for Agra-Technologies, Inc. of Flagstaff, Arizona. Hodges took \$60,000 from two investors between August 2005 and March 2006 for a mining scheme. The order was entered by default after Hodges failed to defend himself in the enforcement action brought by the Division of Securities.

Hodges sold units of “mineral aggregate” to investors. Each unit equaled 50 tons of mineral aggregate and sold for \$10,000. In return, investors were told they would receive 100% of the first \$50,000 of precious metals recovered, 20% of the next \$100,000, and 10% of the remainder of profits for two years – equal to at least an average of 350% return per year. Investors had no role in the mining operations; they only provided investment funds.

Hodges told one of the investors the investment was a “sure thing,” it had a very high probability of success, and the investor could expect to double her investment in six months to a year. The investors received an “Ore Rights and Mining Agreement” from the company, which was signed by Agra-Tech president, William Jay Pierson. Money from one of the investors came from a retirement account.

The Division of Securities initiated this case on October 18, 2007, alleging that Hodges, Pierson, and Agra-Tech engaged in securities fraud by making false statements to investors and omitting to disclose essential information about the company. The false statements included saying the investment was a sure thing, the only way to lose money was if the mine was bombed or destroyed, and that the investors would own ore that was mined. Investors were not told that Hodges would take 25% of the investment as a commission, the securities were not registered, and Hodges was not licensed to sell securities, nor were they provided sufficient information about Agra-Tech’s business to enable the investors to make informed decisions. The three were also accused of selling securities without being licensed.

The cease and desist order finds Hodges sold unregistered securities in Utah, sold securities without being licensed, and engaged in securities fraud by misrepresenting information to investors and failing to give accurate and complete information to investors. He was ordered to pay a fine of \$75,000. The case continues against Agra-Tech and Pierson.